Mphasis
The Next Applied

The Bank Branch of the Future

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The concept of a bank branch is changing in exciting ways. The notion of a single model for a branch is quickly becoming obsolete and differs based on the markets and neighborhoods they serve. Some may be extensive café-style bank branches, some may be a more typical branch serving high volume transaction workloads - and we could also have micro branches and pop-up branches serving special events. Banks have introduced digital engagement with their customers – as digital-only fintech, brick-and-mortar units with an extensive branch and ATM network - or both. They have extensively invested in omnichannel capabilities so that customers can begin a business transaction on one channel and seamlessly continue or complete it on other mediums. Accustomed to using digital apps, their customers today have higher expectations of customer experience when visiting a bank branch. Can banks shift their strategies innovatively to fulfill these expectations? Modernization of the bank branch systems and integration with other delivery channels, which supports an entire catalog of capabilities and partnerships, delivers a seamless omnichannel customer experience. The roadmap for a teller solution driven by a retail delivery platform should unify the existing disparate channel offerings to provide superior customer experiences at reduced cost – while bringing resilience to branch banking.

1.

The Retail Delivery Platform – Supporting Branch Transformation in Banks

Digital has raised the bar of consumer expectations in their interactions with financial institutions. The next-generation of branch banking must rise to be a part of a larger banking delivery ecosystem supporting all banking capabilities. In a digital-first world, banking customers will expect their banks' digital offerings to be the entry points to other banking channels across their relationship. Customer journeys will thus need full-service channels' support, which calls for the elimination of channel silos. A retail delivery platform can continually develop enterprise business services and standard foundational services across all banking delivery channels. Foundational components such as customer session information, behavior across channels, and marketing history become a function of the retail enterprise.

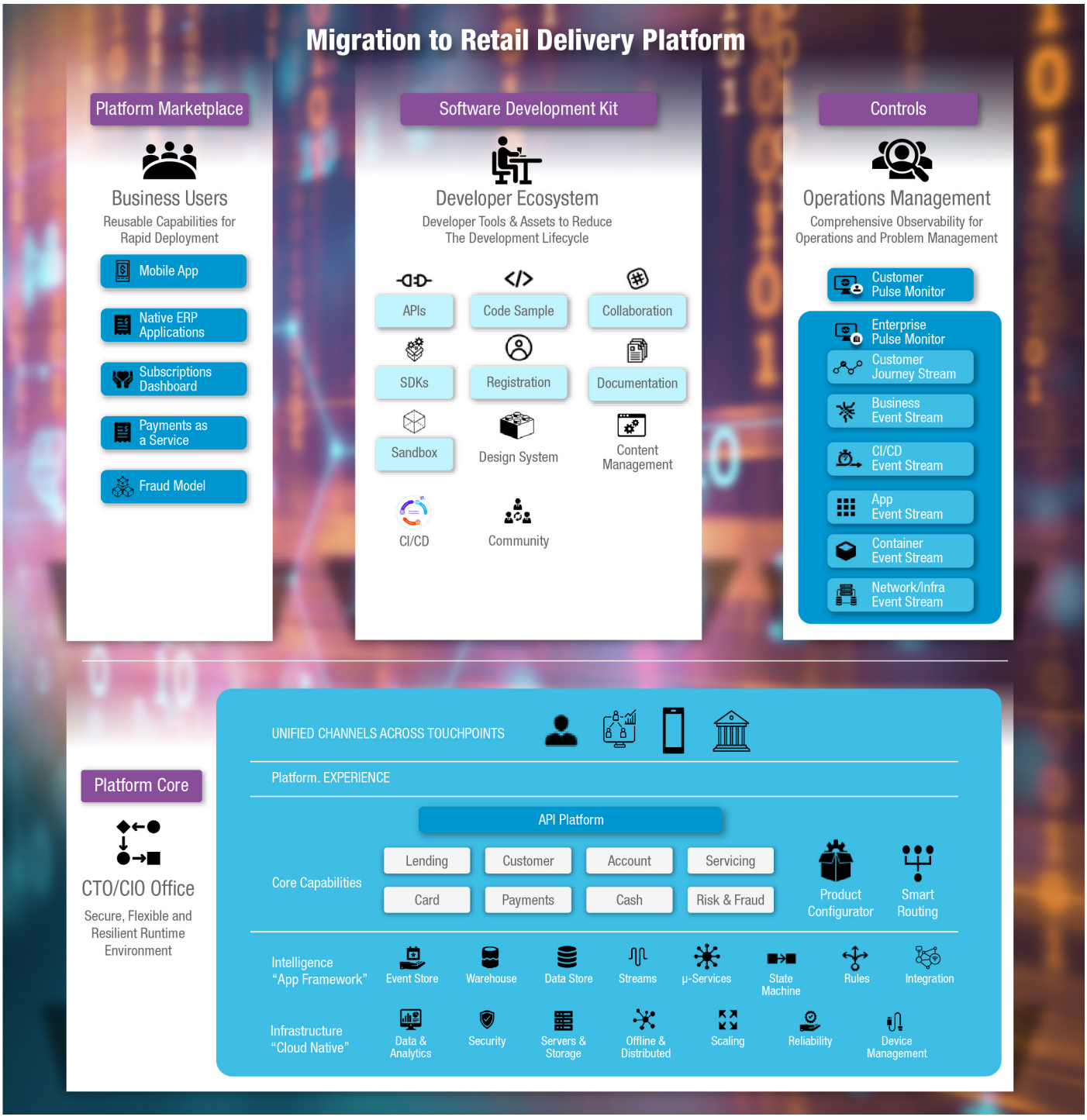
The retail delivery platform thus becomes the foundation for branch banking services and migration of other shared retail banking services (such as mobile, ATM, etc.). Key attributes should include:

- A cloud-native extensible delivery platform to support all retail delivery services
- An open banking architecture

Embark on the Transformational journey to create the Bank Branch of the Future

- The bank's branch to a financial services experience ecosystem
  - Leverage the power of data and analytics
  - Empower every customer to build their relationship stack with the bank
  - Exceed customer expectations
- The teller to a universal banker
  - Engage customers with products and services contextual to their needs through their financial lives
- Brick-and-mortar branches to pop-up branches
  - Customized services to suit demographics, locations, seasons and occasions

- Elimination of technical and functional silos
- Flexibility to consume, buy, build or leverage partner capabilities
- Agility to deploy new capabilities across all platforms
- Common foundational services (security, audit, logging, marketing) across all channels to provide insight on customer behavior, fraud detection, and marketing opportunities
- API framework to extend next-gen omnichannel engagement



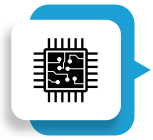
2.

A ‘Thin Branch’ Technical Infrastructure

Recent technology advancements have made it possible to provide a thin infrastructure to support branch banking. The Resilience is provided with a combination of terrestrial, cellular, and celestial (satellite) networking. Moving to a lean client model will provide a better user experience for employees serving customers and significant cost reduction.

Some of the recent technology advances include:

IOT management
of branch devices allows them to become shared devices. For example, one bank branch can now print a check at another branch. When managed as enterprise resources, they can provide enhanced levels of services in omnichannel journeys.



Edge computing
provides resilient and flexible compute resources closer to the bank branch by leveraging public cloud computing partners for appropriate workloads

5G networking
which can provide reliable backup to terrestrial networking, besides higher bandwidth to remote ATM for excellent self-serve capabilities

Cloud native architecture
for complete flexibility with deployment decisions

Next-generation satellite internet
is an emerging phenomenon to provide low latency, high bandwidth connectivity to anywhere in the world

Browser and mobile-based presentation
rendering for the democratization of business service for all client types

3.

New Business Capabilities

A branch delivery platform supporting omnichannel business capabilities opens the door to an entire set of new business capabilities. Traditional full-service business processes can now span self-service and full-service channels. For Example, a small business customer requiring a traditional coin order where they need specific currency to support their small business can become a self-service transaction on their digital device, fulfilled by the branch employees, and placed in a locker for customer pickup. Customers use their digital devices and mobile banking application for in-branch authentication eliminating the need to show identification or swipe a card. Pre-staging ATM transactions become a reality; the traditional banking silos are no longer a limiting factor as they have been in the past.

The retail delivery platform becomes the foundation architecture to provide the reference architecture, frameworks, and accelerators for banks to achieve the goal of a common unified banking experience solution. It should be architected as a cloud-native platform to run in a bank's strategic data center environment and with selected cloud partners to support branch performance requirements. In addition, point COTS products and services that support industry standards (such as BIAN, IFX, ISO, FDX, etc.) may be deployed to accelerate the platform rollout.

This evolution is not a "rip and replace" effort. Banks have made significant investments in their business services supporting digital channels. Many of the services are ready to use on the new retail delivery platform. The platform provides those common foundational capabilities and externalization of the traditional siloed transactional states, which become the enablement of omnichannel business processes.

The basis for a future teller system modernization program is a retail delivery platform, which will provide a catalog of business capabilities supporting all delivery channels. Such an open, industry-standard, and cloud-ready platform for retail banking delivery will provide consumers an omnichannel, unified and consistent experience across all touch-points in their customer journey. Additionally, this allows enhanced visibility to guard against potential fraud across banking channels.

Banks have begun the digital transformation journey by providing their customers advanced browser-based and mobile capabilities to support self-service transactions. However, there is still a gap between traditional full-services banking channels and how they participate in the digital transformation journey. A common retail delivery platform is the first step to close the gap between modernized and traditional delivery channels.

Mphasis can provide proven industry frameworks, thought leadership, and assets help banks to provide a common, seamless customer experience for banking customers regardless of point of contact.

Author

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Tom Parette is a former employee of Mphasis, and he was the VP of Solution Architecture for the Banking Industry. He worked with customers on next-generation banking applications and modernizing legacy solutions. Tom has over 30 years of experience in the technology industry supporting financial services customers across the globe.

About Mphasis

Mphasis (BSE: 526299; NSE: MPHASIS) applies next-generation technology to help enterprises transform businesses globally. Customer centricity is foundational to Mphasis and is reflected in the Mphasis' Front2Back™ Transformation approach. Front2Back™ uses the exponential power of cloud and cognitive to provide hyper-personalized ($C = X2C^{2}_{TM} = 1$) digital experience to clients and their end customers. Mphasis' Service Transformation approach helps 'shrink the core' through the application of digital technologies across legacy environments within an enterprise, enabling businesses to stay ahead in a changing world. Mphasis' core reference architectures and tools, speed and innovation with domain expertise and specialization are key to building strong relationships with marquee clients. To know more, please visit www.mphasis.com

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